

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

SECURITIES AND EXCHANGE)	
COMMISSION,)	
)	
Plaintiff,)	Case No. 19-cv-1711
)	
v.)	Judge Sunil R. Harjani
)	
RIVER NORTH EQUITY, LLC, et. al.,)	Magistrate Judge Holleb Hotaling
)	
Defendants.)	

JOINT STATUS REPORT

Pursuant to the Magistrate Judge’s minute entry of December 19, 2024 [Docket No. 134], Plaintiff Securities and Exchange Commission (“SEC”) and Defendants River North Equity, LLC (“River North”), Edward Liceaga, Michael Chavez, David Foley, Lisa Foley, Jeffrey Foley, and Bennie Blankenship (collectively, “Defendants”), state as follows:

1. On March 11, 2021, this case was stayed to permit the resolution of *United States v. David Foley*, Case No. 21 CR 19 [N.D. Ill.], a parallel criminal case pending before District Judge Seeger. [Docket No. 116]
2. In the criminal trial, in which a verdict was reached on November 4, 2024, the jury convicted David Foley on two counts of securities fraud and acquitted him on eight wire fraud counts. Mr. Foley has two motions (one pretrial and one post-trial) pending against the securities fraud counts. David Foley’s sentencing hearing is currently scheduled for March 20, 2025. The SEC ordered, and recently obtained, a copy of the criminal trial transcripts.
3. On December 16, 2024, District Judge Harjani lifted the stay of this case and set an April 30, 2025 deadline to complete fact discovery. [Docket No. 132] Mr. Foley contends that a ruling on the pending motions in the criminal case could have substantial impact on this case, and

therefore lifting the stay in this matter was premature. David Foley has advised the SEC that he intends to file a motion to stay this case pending the conclusion of the criminal case.

4. Currently, several of the parties need to respond to written discovery requests that were served shortly before this case was stayed, including:

- The SEC's Second Set of Interrogatories, and Second Set of Document Requests, to Defendants River North and Edward Liceaga;
- The SEC's Second Set of Interrogatories and First Set of Requests for Admission to Defendant Michael Chavez;
- Defendants River North's and Edward Liceaga's Second Set of Interrogatories to Plaintiff; and
- Defendant Michael Chavez's First Set of Document Requests, First Set of Interrogatories, and Requests for Admission to Plaintiff.

5. The SEC expects to serve responses to the River North and Liceaga interrogatories within the next two weeks, and to begin responding to the Chavez discovery requests thereafter, on a rolling basis. River North and Liceaga expect to serve responses to the SEC interrogatories and document requests by Monday, February 10, 2025.¹ The parties understand that the Court is available to rule on motions to compel or for protective orders as needed.

6. Before this case was stayed, the SEC served several notices of deposition on parties and deposition subpoenas on third parties. The SEC will reschedule each of these depositions as needed.

7. The parties do not request a settlement conference at this time. The SEC has served settlement demands on all parties, has entered into consent judgments with Defendants NTEK and NTGL, and has negotiated the entry of partial judgments (on the issue of liability) with Defendants Jeff Foley and Bennie Blankenship. The other defendants have not responded formally to the

¹ Counsel for Michael Chavez has advised that SEC that he may be withdrawing as counsel in this matter; so at this time it is uncertain when Chavez will respond to the SEC's discovery requests.

SEC's settlement demands. The SEC remains willing to discuss potential settlements with all defendants. In fact, the SEC recently has had several discussions on the topic of settlement with counsel for River North and Liceaga.

8. If no additional settlements are negotiated in this matter, the SEC expects to file motions for summary judgment against all remaining defendants after the conclusion of fact and expert discovery.

9. No trial date has been set in this case.

Date: January 27, 2025.

Respectfully submitted,

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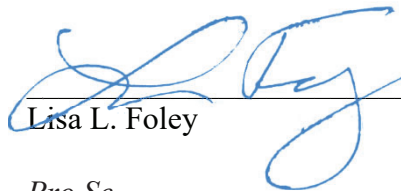
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